

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Room 352-G
200 Independence Avenue, SW
Washington, DC 20201



Office of External Affairs

MEDICARE CONSUMER ALERT

FOR IMMEDIATE RELEASE
Friday, June 16, 2006

Contact: CMS Media Affairs
(202) 690-6145

MEDICARE FIGHTS AGAINST NEW SCHEMES TO DEFRAUD BENEFICIARIES **Medicare Beneficiaries Warned To Be Aware of Telephone Scams** **Surrounding New Medicare Drug Benefit**

The “\$299 Ring” scheme to defraud seniors and people with disabilities has changed into a higher priced scam involving in some cases a new Medicare card, instead of a prescription drug plan.

The Centers for Medicare & Medicaid Services (CMS) said today the dollar amount now requested by phone callers is usually \$379, but cases have also occurred where the callers asked for \$350 or \$365. Medicare has already referred nearly 250 cases involving attempts to steal beneficiaries’ funds to federal law enforcement officials. These are pending further action.

“By getting the message out to Medicare beneficiaries about how they can avoid scams, we’ve seen the number of incidents go down,” said CMS Administrator Mark B. McClellan, M.D., Ph.D. “To protect all people with Medicare from being victimized, we are taking further steps to prevent, identify and help law enforcement officials apprehend these scam artists. And, if you think you may be a victim, call 1-877-7SAFERX.”

The reported incidence of people with Medicare falling victim to these scams, by actually paying money, has decreased from 51 percent of the cases reported between Nov. 15, 2005, and April 30, 2006, to 25 percent between May 1, 2006, and June 7, 2006.

As part of the new scams, callers are now asking for bank information or telling beneficiaries they can provide a new Medicare card for a fee. Similar to the reported “\$299 Ring,” callers asked Medicare beneficiaries for bank account numbers that the callers use to electronically withdraw the money. The new Medicare card or prescription drug plan they claim to be selling is not legitimate.

Callers may use the names of fictitious companies, such as **Pharma Corp., National Medical Office, Medicare National Office and National Medicare.**

- More -

It is against Medicare's rules to call a person with Medicare and ask for bank account or other personal information, or cash payment, over the telephone. No beneficiary should ever provide that kind of information to someone who calls them. Such calls must be placed by the beneficiaries themselves or handled by a follow-up letter to which the beneficiary may choose to reply. If someone calls asking for personal information, or the call doesn't seem right for some other reason, a beneficiary should hang up the phone and contact Medicare at 1-877-7SAFERX (1-877-772-3379) or his or her local law enforcement or consumer protection agency.

#

Tips for People with Medicare to Protect Against Scams

Medicare beneficiaries can take steps to protect themselves by remembering:

- No one can come into your house uninvited.
- No one can ask you for personal information during their marketing activities.
- Always keep all personal information, such as your Medicare number, safe, just as you would a credit card or a bank account number.
- Whenever you have a question or concern about any activity regarding Medicare, call 1-877-7SAFERX (1-877-772-3379).
- Legitimate Medicare drug plans will not ask for payment over the telephone or the Internet. They must send a bill to the beneficiary for the monthly premium.
- Beneficiaries can pay automatically by setting up a monthly withdrawal from their Social Security check. Beneficiaries may also pay by monthly check or set up an automatic withdrawal from a bank account, but beneficiaries must call their plan or respond to a mailed payment request from the plan to do this.